

Message Text

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ACTION EB-11

INFO OCT-01 EA-11 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

CAB-09 CIAE-00 COME-00 DODE-00 DOTE-00 INR-10 NSAE-00

RSC-01 FAA-00 L-03 PRS-01 PA-04 SS-20 NSC-07 DRC-01

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 4918

INFO AMEMBASSY SINGAPORE IMMEDIATE

C O N F I D E N T I A L MANILA 7938

E.O. 11652: GDS

TAGS: EGEN, ETRN, RP, US

SUBJECT: CIVAIR--US/RP NEGOTIATIONS

REF: A. STATE 143099

B. ARNOLD/MEADOWS TELECON OF JULY 3

1. EMBASSY FINDS INSTRUCTIONS REF A, ALBEIT IN LINE WITH MUTUAL GOAL OF ADVANCING THE MOST COMPREHENSIVE LONG TERM SOLUTION POSSIBLE, RUNS SERIOUS RISK OF CASTING IN CONCRETE THE VERY CONFRONTATION WE ALL SEEK TO AVOID. ON THE BASIS OF VERY LOW KEY CHECKS HERE, WE DO NOT, REPEAT NOT THINK A PROPOSAL TO DEFER PAL DC 10 SCHEDULE WILL FLY, MERELY IN AID OF FURTHER TALKS. WE THINK IT MUST BE ACCEPTED THAT GOP HAS EXPRESSED AND CONTINUES TO ESPOUSE VERY LIMITED OBJECTIVES FOR THESE TALKS, AND WE CANNOT LIFT THEM OUT OF THAT CONFINING MATRIX WITH THE MERE CHISEL OF DELAY.

2. AFTER FULL DISCUSSION REF B, AND GRANTING THE SERIOUSNESS OF MISGIVINGS EXPRESSED IN VARIOUS MESSAGES ABOUT ANY DEFERRAL OF ROUTE CONCESSIONS, ESPECIALLY FOR PANAM, WE WISH TO COME BACK TO REEXAMINING A VARIANT OF THE LAST PROPOSAL THAT APPEARS TO HAVE HAD ANY GENERALLY ACCEPTED MERIT-- A SIX YEAR CAPACITY REGIME.

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3. THE ARGUMENTS ARE SIMPLE. (A) WE ARE ALL AGREED THAT THE PRESENT REGIME, IF NOT INTOLERABLE, IS CERTAINLY TOO RESTRICTIVE AND PRECARIOUS. (B) WE CANNOT EXPAND CURRENT FILIPINO HORIZONS MUCH MORE THAN THEIR OWN MODEST AND SHORT TERM AMBITIONS WILL ALLOW. (C) WE HAVE ESTABLISHED, ONCE MORE IN RECENT TALKS, THAT THE MAIDEN IS TOO TIMID FOR BERMUDA. (D) WE DO APPEAR CLOSE TO AGREEMENT, HOWEVER, ON THE ESSENTIALS OF THE MOST DURABLE CAPACITY REGIME FORMULATED TO DATE IN THIS DRAWN-OUT US/RP EXCHANGE. THIS CALLS FOR A TWO-YEAR REGULATED CAPACITY REGIME; A TWO-YEAR REGIME INVOLVING A FILIPINO CORRECTOR PROCEDURE; AND A TWO-YEAR REGIME UNDER A US CORRECTOR PROCEDURE. COLLECTIVELY THESE WOULD SET THE PACE TO 1980, BUT WOULD DO SO IN A WAY THAT RECOGNIZES FILIPINO NERVOUSNESS ABOUT BERMUDA.

4. ANY PROSPECT OF A SUCCESSFUL APPROACH TO THE FILIPINOS ON THIS APPEARS TO HINGE ON WHETHER WE CAN, FOR THE PRESENT, DEFER ROUTE ISSUES. GOP HAS PROPOSED THAT GUAM RIGHTS BE GRANTED BUT THAT THEIR IMPLEMENTATION BE DEFERRED UNTIL A "SUITABLE AND ACCEPTABLE" POINT BEYOND HAS BEEN DETERMINED FOR A US CARRIER. IF WE WERE WILLING TO DEFER ROUTE QUESTIONS ON BOTH SIDES FOR THE TIME BEING, THEN THE ONLY ISSUE WOULD BE WHETHER GOP CAN GO ALONG WITH IMPLEMENTING THE SIX-YEAR CAPACITY REGIME NOW, IN LIEU OF THE ONE-YEAR REGIME PROPOSED BY ROMUALDEZ. THIS APPEARS A GOOD DEAL MORE LIKELY OF ACCEPTANCE NOW THAN A FAVORABLE RESPONSE ON THE US INTEREST IN A BEYOND POINT.

5. ON THIS BASIS, WE PROPOSE TO SUGGEST TO GOP, SUBJECT TO PRIOR WASHINGTON APPROVAL, THAT (A) AN IMMEDIATE EFFORT BE MADE TO WORK OUT THE DETAILS OF THE SIX-YEAR CAPACITY REGIME; (B) THAT ANY DECISIONS ON ROUTES BE DEFERRED FOR THE TIME BEING (WE SHOULD BE PREPARED TO GIVE GUAM AND ACCEPT THE DEFERRAL LETTER IF NECESSARY); (C) THAT THE FIRST STAGE CAPACITY INCREASE BE MADE AS SOON AS THE TERMS OF THE CAPACITY REGIME ARE AGREED; AND (D) THAT THE PARTIES AGREE ON A TIMETABLE FOR RESOLVING IMMEDIATE ROUTE ISSUES. OVERALL, THIS PLAN HAS THE MERIT OF COMING CLOSER TO FILIPINO GROUND THAN WE HAVE BEEN SO FAR, WHILE HOLDING TO THE BEST CAPACITY REGIME SO FAR SHOWING ANY PROMISE. WE THINK THEREFORE THAT ROMUALDEZ MIGHT FIND THIS AN ACCEPTABLE PROPOSAL TO TAKE BACK

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TO THE PRESIDENT.

6. ACTION REQUESTED. IN ORDER TO TAKE MAXIMUM ADVANTAGE OF THE LIMITED TIME BEFORE USCAB ACTION ON THE PAL SCHEDULE MAY BE NECESSARY, REQUEST WASHINGTON REACTIONS FOREGOING APPROACH BY OOB JULY 5. APPRECIATE ALSO ANY THOUGHTS OF US DEL SINGAPORE, ESPECIALLY IF PROPOSAL IS MATERIALLY OFF THE SENSE OF ARNOLD/MEADOWS TELECON.

SULLIVAN

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